

SUPERIOR COURT OF WASHINGTON IN AND FOR FRANKLIN COUNTY

WASHINGTON TRUST BANK, a
Washington banking corporation,

Plaintiff,

v.

EASTERDAY RANCHES, INC., a
Washington corporation; EASTERDAY
FARMS, a Washington general partnership;
CODY EASTERDAY, individually; DEBBY
EASTERDAY, individually; KAREN
EASTERDAY, individually and in her capacity
as personal representative of the Estate of Gale
Easterday,

Defendants.

NO. 21-2-50049-11

COMPLAINT

Plaintiff Washington Trust Bank, by and through its counsel of record, Lukins & Annis,
P.S., and for cause of action against the above-named Defendants, alleges as follows:

I. PARTIES

1.1 Plaintiff Washington Trust Bank ("WTB") is a Washington banking corporation
authorized and licensed to conduct business in the State of Washington.

1.2 Defendant Easterday Ranches, Inc. is a Washington state corporation operating
in Franklin County, Washington.

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1.3 Defendant Easterday Farms is a Washington state general partnership operating in Franklin County, Washington.

1.4 Cody Easterday is an individual residing in Franklin County, Washington, and he is a general partner of Easterday Farms and a guarantor of obligations owing to WTB.

1.5 Debby Easterday is an individual residing in Franklin County, Washington, and she is a general partner of Easterday Farms and a guarantor of obligations owing to WTB.

1.6 Karen Easterday is an individual residing in Franklin County, Washington, and she is a general partner of Easterday Farms and a guarantor of obligations owing to WTB.

Karen Easterday is also the personal representative of the Estate of Gale Easterday. Gale Easterday was a general partner of Easterday Farms and a guarantor of obligations owing to WTB.

II. VENUE

2.1 This Court has original jurisdiction over this matter pursuant to RCW 2.08.010.

2.2 Jurisdiction and venue are proper in Franklin County pursuant to RCW 4.12.025 because the Defendants reside in Franklin County.

III. FACTS

3.1 WTB re-alleges the preceding paragraphs as though fully set forth herein.

3.2 On or about August 20, 2020, Easterday Ranches, Inc. (“Ranches”) and Cody Easterday, Debby Easterday, Gale Easterday, and Karen Easterday as general partners of Easterday Farms, a general partnership (“Farms”), executed a Promissory Note in favor of WTB evidencing a line of credit in the amount of \$45,000,000.00. Attached hereto as **Exhibit A** is a true and correct copy of the Promissory Note, which is incorporated herein by reference.

3.3 Payment of the Promissory Note is secured by collateral identified in Agricultural Security Agreements executed by Ranches and Farms (the “Collateral”). WTB duly perfected its security interest in the Collateral. Attached hereto as **Exhibit B** is a true and

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1 correct copies of the Agricultural Security Agreements, UCC Financing Statements, and
2 notices, which are incorporated herein by reference.

3 3.4 In addition to personal liability on the Promissory Note in their capacity as
4 general partners of Farms, Cody Easterday, Debby Easterday, Gale Easterday, and Karen
5 Easterday each executed a Commercial Guaranty by which they absolutely and unconditionally
6 guaranteed the obligations on the Promissory Note. Attached hereto as **Exhibit C** are true and
7 correct copies of the Commercial Guaranty executed Cody Easterday, Debby Easterday, Gale
8 Easterday, and Karen Easterday, which are incorporated herein by reference.

9 3.5 The Promissory Note, Agricultural Security Agreements, and Commercial
10 Guarantees, and all other documents related thereto may be referred herein as "Loan -0279."

11 3.6 Gale Easterday died on December 10, 2020.

12 3.7 On or about January 24, 2021, Tyson Fresh Meats, Inc. filed a complaint against
13 Ranches in Franklin County Superior Court for breach of contract, fraud, and the appointment
14 of a receiver.

15 3.8 The Defendants are in default on Loan -0279 based on the death of Gale
16 Easterday and the complaint filed by Tyson Fresh Meats, Inc.

17 3.9 On or about January 26, 2021, WTB issued the Defendants written notice of
18 default on Loan -0279. Attached hereto as **Exhibit D** is a true and correct copy of said notice
19 of default, which is incorporated herein by reference.

20 3.10 WTB declares the entire unpaid principal balance on Loan -0279 and all accrued
21 unpaid interest immediately due.

22 3.11 As of January 29, 2021, the amount owing on Loan -0279 was \$44,709,543.11
23 in principal, \$134,703.21 in accrued unpaid interest, plus attorneys' fees and costs.
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1 3.12 Based upon Defendants' default, and pursuant to the terms of Loan -0279, the
2 default interest rate set forth in the Promissory Note is applied to the amount owing on Loan -
3 0279.

4 3.13 WTB demands that Ranches and Farms deliver to WTB the Collateral identified
5 in the Agricultural Security Agreements.

6 3.14 WTB has incurred attorneys' fees and costs to collect the amounts owing on
7 Loan -0279.

8 3.15 At the time of filing of the summons and this Complaint, Cody Easterday,
9 Debby Easterday, and Karen Easterday were not in the military service of the United States of
10 America.

11 **IV. CAUSES OF ACTION:**

12 **FIRST CAUSE OF ACTION:**
13 **BREACH OF CONTRACT – LOAN -0279**

14 4.1 WTB re-alleges the preceding paragraphs as though fully set forth herein.

15 4.2 Ranches and Farms executed the Promissory Note and thereafter WTB extended
16 credit to Farms and Ranches pursuant to the terms of the Promissory Note.

17 4.3 Ranches and Farms defaulted on Loan -0279.

18 4.4 WTB gave Ranches and Farms notice default.

19 4.5 As a result of Ranches' and Farms' default they are in breach of contract.

20 4.6 As a direct and proximate result of Ranches' and Farms' breach of contract,
21 WTB has suffered damages of at least \$44,844,246.32.

22 **SECOND CAUSE OF ACTION:**
23 **BREACH OF CONTRACT – COMMERCIAL GUARANTEES**

24 4.7 WTB re-alleges the preceding paragraphs as though fully set forth herein.
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1 4.8 Cody Easterday, Debby Easterday, Gale Easterday, and Karen Easterday each
2 personally guaranteed the obligations owing on the Promissory Note.

3 4.9 Ranches and Farms are in default on Loan -0279 and as a result Cody Easterday,
4 Debby Easterday, Gale Easterday, and Karen Easterday are personally obligated to pay the
5 amounts owing on Loan -0279.

6 4.10 As a direct and proximate result of Ranches' and Farms' breach of contract,
7 WTB has suffered damages of at least \$44,844,246.32.

8 THIRD CAUSE OF ACTION:
9 REQUEST FOR ORDER OF POSSESSION OF COLLATERAL AND FORECLOSURE OF
10 SECURITY INTEREST

11 4.11 WTB re-alleges the preceding paragraphs as though fully set forth herein.

12 4.12 Ranches and Farms granted WTB a security interest in the Collateral identified
13 in the Agricultural Security Agreements.

14 4.13 WTB declared Ranches and Farms in default on Loan -0279.

15 4.14 WTB is entitled to the Collateral pursuant to the terms of the Agricultural
16 Security Agreements, and requests foreclosure and an order that the Collateral identified in the
17 Agricultural Security Agreements may be sold at a private sale pursuant to the Uniform
18 Commercial Code or at a sheriff's sale.

19 FOURTH CAUSE OF ACTION:
20 REPLEVIN PURSUANT TO RCW 7.64

21 4.15 WTB re-alleges the preceding paragraphs as though fully set forth herein.

22 4.16 WTB is entitled to possession of crop inventory which is part of WTB's
23 Collateral based on the default by Ranches and Farms, and pursuant to the Agricultural
24 Security Agreements.

25 4.17 The crop inventory is wrongfully detained by Ranches and Farms because they
have breached the terms of Loan -0279.

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1 4.18 Ranches and Farms have possession of the crop inventory.

2 4.19 The crop inventory is particularly described in crop inventories provided by
3 Defendants.

4 4.20 The fair market value of the crop inventory is estimated to be less than the
5 amount owing on Loan -0279.

6 4.21 Upon information and belief, the crop inventory is located at 5235 Industrial
7 Way, Pasco, WA 99301.

8 4.22 The crop inventory has not been taken for a tax, assessment, or fine, pursuant to
9 a statute, or seized under an execution against the property of WTB.

10 4.23 WTB is entitled to possession of the crop inventory, and an order that the crop
11 inventory shall be delivered to WTB, plus recovery of interest and all damages incurred as a
12 result of Ranches and Farms conversion of said crop inventory, in an amount to be determined
13 at trial.

14 FIFTH CAUSE OF ACTION:
15 APPOINTMENT OF A RECEIVER

16 4.24 WTB re-alleges the preceding paragraphs as though fully set forth herein.

17 4.25 The Agricultural Security Agreements provide that upon Ranches' and Farms'
18 default WTB has the right to have a receiver appointed to take possession of all or any part of
19 the Collateral.

20 4.26 The appointment of a receiver is necessary and appropriate under the
21 Agricultural Security Agreements and RCW 7.60.025(1)(a) and RCW 7.60.025(1)(b)(i)
22 because Ranches and Farms have in their possession WTB's Collateral and absent appointment
23 of a receiver said Collateral is in danger of being sold, lost, or materially impaired.

24 4.27 The appointment of a receiver is necessary and appropriate under the
25 Agricultural Security Agreements and RCW 7.60.025(1)(i) because Ranches and Farms are in

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1 imminent danger of insolvency, if not already insolvent, are not capable of paying their debts as
2 they become due, and should be dissolved.

3 4.28 The appointment of a receiver is necessary and appropriate under the
4 Agricultural Security Agreements and RCW 7.60.025(1)(nn) because ample justice cannot be
5 secured for the parties, and other parties in interest, absent appointment of a receiver to
6 maintain control over Ranches' and Farms' assets (including WTB's Collateral) and to replace
7 the current management of Ranches and Farms.

8 4.29 A receiver is necessary to take possession of Ranches' and Farms assets
9 (including WTB's Collateral), to collect revenues and to operate and manage Ranches and
10 Farms pending a court order granting WTB the relief requested herein, or Farms and Ranches
11 voluntary surrender of WTB's Collateral.

12 4.30 Based on the allegations of Tyson Fresh Meats, Inc., which is one of the reasons
13 that Ranches and Farms are in default on Loan -0279, remedies other than a receivership are
14 not available or are inadequate. Only by removing current management of Ranches and Farms
15 and replacing their management with an independent receiver can WTB be assured that
16 Ranches and Farms assets (including WTB's Collateral) will be managed properly, liquidated
17 appropriately, and distributed in accordance with law.

18 SIXTH CAUSE OF ACTION:
19 RECOVERY OF ATTORNEYS' FEES AND COSTS

20 4.31 WTB re-alleges the preceding paragraphs as though fully set forth herein.

21 4.32 The Agreement provides that WTB shall recover its attorneys' fees and costs
22 incurred to collect the amounts owing on Loan -0279.

23 4.33 WTB has incurred attorneys' fees and costs, and will incur additional attorneys'
24 fees and costs, to collect the amounts owing on Loan -0279.

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1 4.34 WTB is entitled to recover the attorneys' fees and costs it incurs to collect the
2 amounts owing on Loan -0279.

3 **V. PRAYER FOR RELIEF**

4 WHEREFORE, WTB demands judgment as follows:

5 1. Judgment against Easterday Ranches, Inc., Easterday Farms, Cody Easterday,
6 Debby Easterday, Karen Easterday, and the Estate of Gale Easterday, jointly and severally, in
7 the amount of \$44,844,246.32, plus additional interest, late charges, and other charges and fees
8 from January 29, 2021, to the date of judgment, pursuant to the terms of Loan -0279;

9 2. An award of post-judgment interest at the default interest rate set forth in the
10 terms of Loan -0279;

11 3. An order that Ranches and Farms deliver to WTB possession of the Collateral
12 described in the Agricultural Security Agreements;

13 4. An order for foreclosure and that the Collateral described in the Agricultural
14 Security Agreements may be sold at a private sale or at a sheriff's sale;

15 5. An order that the Sheriff take possession of the crop inventory and deliver it to
16 WTB pursuant to RCW 7.64, *et seq.*;

17 6. An award of reasonable attorneys' fees and costs pursuant to the terms of Loan -
18 0279, and other agreements, statutes, or court rules;

19 7. For appointment of a general receiver to take possession and control of all assets
20 and management of Ranches and Farms; and

21 8. For any other and further relief as the court may deem proper.
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1 DATED this 29th day of January, 2021.

2 LUKINS & ANNIS, P.S.

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4 By 
5 TREVOR R. PINCOCK
6 WSBA #36818
7 Attorneys for Plaintiff
8 Washington Trust Bank
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COMPLAINT: 9

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 29th day of January 2021, I caused to be served a true and correct copy of the foregoing by the method indicated below, and addressed to all counsel of record as follows:

Cody Easterday
5235 N Industrial Way
Pasco, WA, WA 99301
cody@easterdayfarms.com

☐ U.S. Mail
☐ Hand Delivered
☐ Overnight Mail
☐ Telecopy (FAX)
☒ Via email

Peter Richter
Peter Richter:
200 South Wacker Drive, 31st Floor
Chicago, IL 60606
prichter@paladinmgmt.com

☐ U.S. Mail
☐ Hand Delivered
☐ Overnight Mail
☐ Telecopy (FAX)
☒ Via email

R. Crane Bergdahl
6119 Burden Blvd., Suite A
Pasco, WA 99301
P.O. Box 2755
Pasco, WA 99302
cranelaw@msn.com

☐ U.S. Mail
☐ Hand Delivered
☐ Overnight Mail
☐ Telecopy (FAX)
☒ Via email

CHS Capital, LLC dba CHSC NM
5500 Cenex Dr.
Inver Grove Heights, MN 550077

☐ U.S. Mail
☐ Hand Delivered
☒ Overnight Mail
☐ Telecopy (FAX)
☐ Via email

U.S. Small Business Administration
1545 Hawkins Blvd, Suite 202
El Paso, TX 79925

☐ U.S. Mail
☐ Hand Delivered
☒ Overnight Mail
☐ Telecopy (FAX)
☐ Via email

El Paso District Office
915.834.4600
DL0050@sba.gov

☐ U.S. Mail
☐ Hand Delivered
☐ Overnight Mail

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Office of General Counsel
409 3rd Street NW
Washington, DC 20416
Brittany Biles, GC
Nina Levine, Deputy GC
General Inquiries: answerdesk@sba.gov

☐ Telecopy (FAX)
☒ Via email

AXA Equitable Life Insurance Company
1290 Avenue of the Americas
New York, NY 10104
Customer Service: 877.222.2144

☐ U.S. Mail
☐ Hand Delivered
☒ Overnight Mail
☐ Telecopy (FAX)
☐ Via email

Equitable Financial Life Insurance Company
16th Floor, 1290 Avenue of the Americas
New York, NY 10104
Customer Service: 877.222.2144

☐ U.S. Mail
☐ Hand Delivered
☒ Overnight Mail
☐ Telecopy (FAX)
☐ Via email

The Prudential Insurance Company of America
2100 Ross Avenue, Suite 2500
Dallas, TX 75201
Loan Nos. 717611839 & 717611840
214.777.4500
214.721.6007

☐ U.S. Mail
☐ Hand Delivered
☒ Overnight Mail
☐ Telecopy (FAX)
☐ Via email

Rabo Agrifinance, Inc., as Mortgagee
12443 Olive Blvd, Suite 50
St. Louis, MO 63141
855.722.7766
CustomerConnect@RaboAg.com

☐ U.S. Mail
☐ Hand Delivered
☐ Overnight Mail
☐ Telecopy (FAX)
☒ Via email

Big Bend Electric Cooperative, Inc.
P.O. Box 348
Ritzville, WA 99169
866.844.2363
Admin@bbec.org

☐ U.S. Mail
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Marianne Love
MARIANNE LOVE, PARALEGAL

COMPLAINT: 12

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